

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001080

SIPDIS

DEPT FOR SA/INS; LONDON FOR POL/GURNEY; NSC FOR MILLARD

E.O. 12958: DECL: 06/10/2014

TAGS: [PREL](#) [PGOV](#) [PTER](#) [NP](#) [GON](#)

SUBJECT: NEPAL: PM DEUBA'S PLAN

Classified By: Charge Janet Bogue for reasons 1.5 (b) and (d).

11. (C) SUMMARY. During a warm 40-minute courtesy call by the Charge on Prime Minister Sher Bahadur Deuba on June 10, Nepal's new Prime Minister broadly outlined the challenges he faces in building a new government, dealing with the Maoists, and restoring democratic processes in Nepal. Deuba's stated priorities include forming a multiparty government, holding phased elections and secret negotiations with the Maoists. The new Prime Minister appears determined to succeed, but faces significant challenges. END SUMMARY.

12. (C) Charge met Prime Minister Deuba on June 10 for about 40 minutes. Deuba expressed thanks to the United States for the military assistance to the Royal Nepal Army (RNA) as well as for declaring the Communist Party of Nepal (Maoist) terrorists. In particular, the Prime Minister expressed thanks to President Bush for meeting him at the White House in May 2002.

13. (C) The Prime Minister opined that the United Marxist-Leninist (UML) party is a tough negotiator, but he hoped to be able to bring them into the government soon. Smiling, Deuba asked the Charge for "any help" the Embassy could offer to convince the other parties to join the government, in particular G.P. Koirala's Nepali Congress. Further demonstrating the challenges ahead, Deuba requested any help the Embassy could offer to convince King Gyanendra to roll back the King's right of approval for any Ambassadorial appointments or transfers of senior civil servants -- instituted by decree after Deuba had been fired as prime minister in October 2002. Deuba doubted aloud whether he could convince the various parties to join his government unless the King gave some ground. The Charge responded that the Embassy would continue to press all parties for restoration of democratic processes and for a multiparty democratic front to deal with the Maoists.

14. (C) Deuba lamented the Maoist recruitment of children, kidnapping of teachers for indoctrination, extortion of businesses and damage to Nepal's infrastructure. When asked when Deuba planned to negotiate with the Maoists, Deuba did not reveal timing, but opined that because open negotiations had failed twice, he would proceed with secret negotiations. However, he emphasized, his first priority, after forming a multiparty government, would be to hold elections. "I never thought I would be the one appointed," Deuba stated. "The King sacked me as incompetent (for not holding elections). I will not be incompetent again." Mentioning the Indian experience in Kashmir, Deuba believed that phased elections could proceed in Nepal, regardless of the Maoists. (NOTE: In a separate meeting on June 7, MFA Joint Secretary for South Asia Madan Bhattarai commented to the DCM that India's election experiences in Kashmir and Punjab had been one of Foreign Secretary Natwar Singh's talking points with the GON. END NOTE.)

15. (C) Deuba mentioned that the King would announce the first two members of the cabinet that evening: Prakash Man Singh as Minister of Physical Planning and Works; and Bimalendra Nidhi as Minister for Education and Sports as well as Minister of Industry, Commerce and Supplies. (NOTE: Bios of the new ministers will be provided septel. END NOTE.) Deuba added that his cabinet would be smaller and more manageable this iteration; in addition, only a few ministers would be appointed today to leave room for the other parties.

16. (C) COMMENT: Deuba finds himself in the unenviable position of having to overcome a series of hurdles just to form his government. While it appears the UML is on the cusp of joining, many of the parties, perhaps to include the UML, want to see a tangible show of respect for democratic practices by the King, and may hold out for just that. Other wild cards are whether G.P. Koirala, the leader of the other faction of the Nepali Congress, will continue to play the spoiler and whether the King will be satisfied to be a constitutional monarch. All of these questions must be answered before any serious attention can be focused on elections or the Maoist problem.

17. (C) Deuba's determination to succeed as Prime Minister was palpable. His goals are clear: a broader-based government, including especially the UML, a small cabinet (his last was huge and unmanageable), secret negotiations with the Maoists

(his belief that public posturing by both sides had led to previous failures), and quick elections (the failure to hold elections being the basis for which he was previously removed) reveal his thinking. The political challenges in this many-cornered polity are formidable, however, and success in meeting his goals will take much determination, work and outside support. END COMMENT.
BOGUE